



THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

17 JAN 1964

Honorable John A. McCone
Director
Central Intelligence Agency
Washington, D. C. 20505

Dear John:

Enclosed is a proposed agreement which covers the questions raised in your letter of May 17, 1963, relative to the ultimate responsibility for the loss of major equipment, such as airplanes, naval vessels and similar equipment, loaned between our respective organizations. I believe you will find the agreement to be in accord with our previous discussions on this subject. I have already signed the agreement assuming that it will meet with your approval. If it meets with your approval, I would appreciate your signing it and returning a copy thereof to this office.

It is my understanding that you have agreed to reimburse the Air Force for the loss of the C-123 aircraft in Laos referred to in your letter of May 17, 1963, which loss occurred prior to the date of your letter and the date of the enclosed agreement. I appreciate this action on your part and assure you that this reimbursement to the Air Force will go a long way in resolving the unfortunate controversy that developed over the honest differences of opinion that existed with respect to the responsibility for such losses as of the date of the loss of this aircraft.

Sincerely,

A handwritten signature, likely of the Deputy Secretary of Defense, in dark ink.

OSD Declassification Instructions on File

Enclosure

XEROX COPY

SECRET

RECEIVED	DATE
DEC 17 1963	1200
DOES NOT APPLY	